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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 33-37576

19, 1998
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FORTIS BENEFITS INSURANCE COMPANY
(Exact name of registrant as specified in its charter)

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MINNESOTA	41-0170040
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
500 BIELENBERG DRIVE, WOODBURY, MN	55125
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: 612-738-5590

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No ____

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FORTIS BENEFITS INSURANCE COMPANY
BALANCE SHEETS
(In thousands, except per share amounts)

	March 31, 1992	December 31, 1991
	(unaudited)	
ASSETS		
Investments		
Fixed maturities, at amortized cost (market: $1,574,179 at March 31, 1992, $1,568,525 at December 31, 1991)	$ 1,558,459	$ 1,517,757
Preferred stocks, at market (cost: $575 at March 31, 1992, $575 at December 31, 1991)	759	500
Common stocks, at market (cost: $15,224 at March 31, 1992, $15,908 at December 31, 1991)	17,212	17,326
Mortgage loans on real estate	255,812	260,792
Policy loans	48,702	48,655
Short-term investments	31,715	25,912
Real estate and other investments	8,715	7,319
	1,921,374	1,878,261
Receivables:		
Uncollected premium	39,019	38,236
Due from affiliates	1,946	3,005
Other	2,005	6,423
	42,970	47,664
Cash and cash equivalents	18,088	19,467
Accrued investment income	32,036	33,325
Deferred policy acquisition costs	184,152	185,979
Property and equipment, at cost, less accumulated depreciation	41,427	41,360
Other assets	1,107	1,015
Assets held in separate accounts	268,436	202,810
	$ 2,509,590	$ 2,409,881

See accompanying notes.

RESERVES, LIABILITIES AND SHAREHOLDER'S EQUITY	March 31, 1992 (unaudited)	December 31, 1991
POLICY RESERVES AND LIABILITIES		
Future policy benefit reserves:		
Traditional life insurance	$ 382,925	$ 381,454
Interest sensitive and investment products	526,122	511,192
Accident and health	632,854	624,244
	1,541,901	1,516,890
Unearned premiums	25,194	22,630
Other policy claims and benefits payable	178,969	181,608
Policyholder dividends payable	3,226	3,229
	1,749,290	1,724,357
Accrued expenses	39,135	43,269
Due to affiliates	92	5,071
Current income taxes payable	42,344	5,294
Deferred federal income taxes	10,822	33,283
Shareholder dividends payable		8,000
Other liabilities	36,287	38,461
Liabilities related to separate accounts	264,267	198,520
	2,142,237	2,056,255
SHAREHOLDER'S EQUITY		
Common stock, $5 par value, 1,000,000 shares authorized, issued and outstanding	5,000	5,000
Additional paid-in capital	345,000	345,000
Retained earnings (deficit)	15,782	2,178
Unrealized gain (loss) on equity securities, net of deferred taxes of $725 at March 31, 1992 and $443 at December 31, 1991	1,054	860
Unrealized gain on assets held in separate accounts, net of deferred taxes of $266 at March 31, 1992 and $303 at December 31, 1991	517	588
	367,353	353,626
	$ 2,509,590	$ 2,409,881

See accompanying notes.

FORTIS BENEFITS INSURANCE COMPANY
STATEMENTS OF INCOME
(In thousands)
(unaudited)

	Three months ended March 31,	
	1992	1991
REVENUES		
Insurance operations:		
Traditional life insurance premiums	$ 43,837	$ 9,341
Interest sensitive and investment product policy charges	5,677	5,452
Accident and health premiums	192,876	51,773
	242,390	66,566
Net investment income	38,475	16,830
Realized gains (losses) on investments	14,182	2,569
Other income	9,010	432
TOTAL REVENUES	304,057	86,397
BENEFITS AND EXPENSES		
Benefits to policyholders:		
Traditional life insurance	35,357	8,533
Interest sensitive and investment products	11,350	8,637
Accident and health	154,926	38,713
	201,633	55,883
Policyholder dividends	790	719
Amortization of deferred policy acquisition costs	8,892	2,124
Insurance commissions	29,122	8,064
General and administrative expenses	42,933	11,093
TOTAL BENEFITS AND EXPENSES	283,370	77,883
INCOME BEFORE INCOME TAX EXPENSE	20,687	8,514
INCOME TAX EXPENSE		
Current	29,790	2,391
Deferred	(22,707)	703
	7,083	3,094
NET INCOME	$ 13,604	$ 5,420

See accompanying notes

FORTIS BENEFITS INSURANCE COMPANY
STATEMENTS OF CASH FLOW
(In thousands)
(Unaudited)

	Three months ended March 31, 1992	1991
OPERATING ACTIVITIES		
Net income	$ 13,604	$ 5,420
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in future policy benefit reserves for traditional and interest sensitive products	13,877	3,847
Increase (decrease) in other policy claims, benefits and policyholder dividends payable	(2,642)	935
Increase in deferred federal income taxes	(22,461)	703
Increase in income taxes payable	37,050	971
Amortization of policy acquisition costs	8,892	2,124
Policy acquisition costs deferred	(7,065)	(2,656)
Provision for mortgage loan losses	(71)	(369)
Provision for depreciation	1,639	478
Accrual of discount, net	511	(53)
Change in uncollected premiums, accrued investment income, other receivables, unearned premiums, accrued expenses, and other liabilities	(2,740)	(1,858)
Other	(324)	27
NET CASH PROVIDED BY OPERATING ACTIVITIES	40,270	9,569
INVESTING ACTIVITIES		
Purchases of fixed maturity investments	(1,130,874)	(272,545)
Sales or maturities of fixed maturity investments	1,089,329	247,397
Decrease (increase) in short-term investments	(5,803)	1,340
Purchase of other investments	(4,241)	(3,508)
Sales or maturities of other investments	8,512	3,900
Purchase of property and equipment	(1,751)	(1,246)
Other	45	3
NET CASH USED BY INVESTING ACTIVITIES	(44,783)	(24,657)
FINANCING ACTIVITIES		
Activities related to investment products:		
Considerations received	11,096	12,379
Surrenders and death benefits	(6,188)	(4,609)
Interest credited to policyholders	6,226	4,861
Dividends paid to shareholder	(8,000)	
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,134	12,631
INCREASE (DECREASE) IN CASH	(1,379)	(2,457)
Cash and cash equivalents at beginning of period	19,467	6,620
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 18,088	$ 4,163

See accompanying notes.

FORTIS BENEFITS INSURANCE COMPANY

Notes to Financial Statements
March 31, 1992
(Unaudited)

General: The accompanying unaudited financial statements of Fortis Benefits Insurance Company (the Company), contain all adjustments necessary to present fairly the balance sheet as of March 31, 1992, and the related statements of income and cash flows for the three months ended March 31, 1992 and 1991.

Acquired Business: Effective October 1, 1991 the Company purchased certain assets and assumed certain liabilities from The Mutual Benefit Life Insurance Company in Rehabilitation (MBL). The acquired business has been included in the financial statements of Fortis Benefits Insurance Company. The acquisition was accounted for as a purchase. A contingent promissory note in the maximum amount of $200 million was issued as part of this transaction. Future payments on the promissory note are primarily contingent upon the persistency of the long term disability portion of the acquired business. Future payments, if required, are due on the first, second and third anniversaries of the acquisition.

The statement of income for the three months ended March 31, 1992 includes the results of operations of the acquired business as follows (in thousands):

Revenues	210,500
Benefits	(205,900)
Income before income taxes	4,600

At March 31, 1992, $19 million of the purchase price was held as a liability by the Company. This liability was settled subsequent to March 31, 1992 for $18 million. This settlement had no effect on first quarter 1992 profitability

Statement of Cash Flows: The Company considers investments with a maturity, at the date of their acquisition, of three months or less to be cash equivalents. These securities are carried principally at amortized cost which approximates market value.

Income tax refund received during the three months ended March 31, 1992 was $7,260,000, and cash paid for the three months ended March 31, 1991 was $1,420,000.

FORTIS BENEFITS INSURANCE COMPANY

Notes to Financial Statements
March 31, 1992
(Unaudited)

Debt Securities: The amortized cost and market values of investments in fixed maturity debt securities were as follows at March 31, 1992 (in thousands):

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Market Value
Governments	$ 167,245	$ 1,030	$ 1,237	$ 167,038
Public utilities	172,336	8,180	2,543	177,973
Industrial and miscellaneous	1,157,400	17,516	8,480	1,166,436
Other	61,478	1,531	277	62,732
Total	$1,558,459	$28,257	$12,537	$1,574,179

The amortized cost and market value of debt securities at March 31, 1992, by contractual maturity, are shown below (in thousands). Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Market Value
Due in one year or less	$ 15,916	$ 16,120
Due after one year through five years	455,792	458,198
Due after five years through ten years	564,665	567,943
Due after ten years	522,086	531,918
	$1,558,459	$1,574,179

Proceeds from sales and maturities of investments in debt securities in the three month period ended March 31, 1992 were $1,094,157,000 and $125,000 respectively. Gross gains of $23,481,076 and gross losses of $9,127,691 were realized on sales.

Mortgage Loans: The Company has issued commercial mortgage loans on properties located throughout the country. Currently, approximately 54% of outstanding principal is concentrated in the states of Arizona, California, Florida and Illinois. The Company has a diversified loan portfolio with a small average size, which greatly reduces any loss exposure. The Company has established a reserve for mortgage loans and a specific reserve for any problem mortgages.

FORTIS BENEFITS INSURANCE COMPANY

Notes to Financial Statements
March 31, 1992
(Unaudited)

Net Investment Income and Realized Gains (Losses) on Investments: Major categories of net investment income and realized gains and losses on investments for the first three months of each year were as follows (in thousands):

	Investment Income		Realized Gain (Loss) on Investments	
	1992	1991	1992	1991
Fixed maturities	$31,239	$12,983	$14,353	$2,424
Preferred stocks	15			
Common stocks	331	374	(213)	203
Mortgage loans on real estate	6,312	3,289	24	354
Policy loans	731	598		
Short-term investments	749	41	4	
Real estate and other investments	209	68	14	(412)
	39,586	17,353	$14,182	$2,569
Expenses	(1,111)	(523)		
	$38,475	$16,830		

Separate account assets were as follows (in thousands):

	March 31 1992	December 31, 1991
Premium and annuity considerations for the variable annuity products and the variable universal life product for which the contractholder, rather than the Company, bears the investment risk.	$264,267	$198,520
Assets of the separate account owned by the Company, net of unrealized gain or loss	4,169	4,290
	$268,436	$202,810

Management's Discussion and Analysis of Financial Condition and Results of Operations

First Quarter 1992 Compared to 1991

Acquired Business

On October 1, 1991 Fortis Benefits acquired a large block of group life, accident and health, disability and dental insurance business from The Mutual Benefit Life Insurance Company in Rehabilitation ("MBL"). The acquired business has been included in the financial statements of Fortis Benefits since the date of acquisition. Subsequent to March 31, 1992, the Company settled an outstanding purchase liability for $18 million, which was originally estimated to be $19 million. This settlement had no effect on first quarter 1992 results.

Results of operations for the first quarter 1992 for the acquired business were as follows:

- Premium revenues were $180 million,
- Total revenues were $211 million,
- Benefits and expenses were $206 million, and
- Income before income taxes was $6.9 million.

Other than the changes from the acquired business, results for other operations are discussed below.

Revenue

Accident and health premiums decreased 7% from first quarter 1991 to 1992. This was attributable to lower sales of the company's medical products in the first quarter, 1992.

Traditional life insurance premiums were consistent with first quarter 1991 levels.

Interest sensitive and investment product policy charges, which consist primarily of cost of insurance charges on these policies, were $5.6 million in first quarter 1992. This was a slight increase from $5.4 million in first quarter 1991. This increase was due primarily to a larger in force block of the variable universal life products.

Investment income increased to $18.6 million in first quarter 1992 from $16.8 million in first quarter 1991. Capital gains were $7.3 million in first quarter 1992 versus $2.6 million in first quarter 1991.

Benefits and Expenses

The policy benefits and claims for the Company's accident and health business decreased by 9%. This was due to both a decrease in premium revenues and also a reduction in the loss ratios. This decrease in loss ratios was primarily the result of the Company's continued focus on controlling claim costs for its policyholders.

Traditional life insurance benefits decreased 15% from first quarter 1991. Interest sensitive and investment product benefits and claims increased 27% during first quarter 1992. These results reflect decreased sales of traditional insurance products and increased sales and marketing of investment products.

Commissions on the Company's investment products increased $4 million in first quarter, 1992 due to increased sales of these products.

Operating expense only increased approximately $1.1 million from first quarter 1991 levels. This relatively small increase was achieved through various expense management programs.

Income

Income before income taxes totaled $13.6 million in first quarter 1992 compared with $8.5 million in first quarter 1991. For traditional life insurance, net income before income tax expense for the three months ended March 31, 1992 was $2.6 million higher than for the same period of the prior year. This increase for the three months was primarily due to increased amounts of capital gains income, decrease in mortality and a decrease in operating expenses. Interest sensitive and investment products produced net income before income tax expense for the three months ended March 31, 1992 that was $1.6 million higher than for the same period in 1991. The increase for the three months was primarily due to more policies in force and an increase in capital gains income. These factors were partially offset by an increase in mortality and operating expenses.

Liquidity and Capital Resources

The liquidity and capital requirements of the Company are provided from operating revenues and investment activities. The Company expects its investment and operation activities to continue to generate sufficient funds to pay policy benefits and operating expenses.

Additional capital may be contributed by the Company's parent, Fortis, Inc., to fund the first payment on the contingent promissory note which is due October 1, 1992.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

a. None

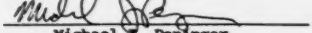
b. No Forms 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Fortis Benefits Insurance Company
(Registrant)

Date: May 13, 1992



Michael J. Peninger
Vice President, Controller and
Treasurer (on behalf of the
Registrant and as its
principal financial and
chief accounting officer)